

# Report on Supply, Demand & Concentration of Student Accommodation

For a Strategic Housing Development Application for Student Accommodation at Victoria Cross Road, Cork

July 2022



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# 1. Overview

This Report has been prepared to provide an evidential basis for the provision of the proposed Purpose-Built Student Accommodation scheme at Victoria Cross Road, Cork.

The 'Action Plan for Housing and Homelessness – Rebuilding Ireland' published in July 2016, identified the importance of providing well designed and located student accommodation in order to avoid additional pressures in the private rental sector. The proposed development satisfies the three key actions identified in the Rebuilding Ireland policy document, specifically:

1. It will provide much needed purpose-built student accommodation.
2. It will ensure better utilisation of urban land.
3. It will free up conventional housing for non-student residential accommodation.

The 2015 and 2022 Cork City Development Plans both recognise that there is a significant demand for student accommodation within Cork City and outline that given the growth in recent years of the numbers of third level students together with the planned expansion of the city's major educational facilities, there is an identified demand for specific residential accommodation to cater for this need.

"The National Student Accommodation Strategy" identifies the strong existing and growing demand for purpose-built student accommodation in Cork. Cork accounts for 14% of all full-time enrolments nationally, with Limerick and Galway accounting for around 11% respectively. However, Cork's existing purpose-built student accommodation bed space numbers in 2017 were estimated at 3,788, only marginally ahead of Galway (3,230) and well behind Limerick (6,816). The Strategy outlines the supply and demand figures for purpose-built student accommodation in Cork, projecting that the supply of purpose-built student accommodation bed spaces in 2019 would be 4,352 with a projected demand of 6,463, which would equate to a short fall of 2,111 bed spaces by end 2019 and an extra shortfall of 1,901 by end 2024.

An update of the figures outlined in "The National Student Accommodation Strategy 2017" was recently published through the "Quarter 3 (Q3) 2019 Progress Report on the National Student Accommodation Strategy" in September 2019 and found the following:

- According to an update of the National Student Accommodation Strategy in 2019 there was a short fall or excess demand of 2,262 bed spaces by the end of 2019.
- Based on the "The National Student Accommodation Strategy 2017", the projected demand for purpose-built student accommodation in 2024 equates to 7,391 bed spaces.

- Even if all extant permissions were to be constructed by 2024 there would still be an estimated shortfall of 858 of purpose-built student bed spaces in 2024.

## 1.1 Cork City Development Plan 2022 – 2028

The Cork City Development Plan 2022-2028 (2022 CDP) was adopted by the Elected Members of Cork City Council on 27<sup>th</sup> June 2022 and is scheduled to take effect from 8<sup>th</sup> August 2022. A final published version of the 2022 CDP is currently being prepared and is expected to be available from 8<sup>th</sup> August 2022. In the interim period and for the purposes of informing this Report, regard has been given to the Draft Cork City Development Plan 2022-2028 (published on 26<sup>th</sup> July 2021) and the Material Amendments to the Draft Plan made at the Special Meeting of Council held on 27<sup>th</sup> June 2022.

Objective 11.6 of the 2022 CDP relates to Purpose-Built Student Accommodation (PBSA) and states that development proposals for PBSA will be assessed against the following criteria:

- a. The proposed use is consistent with the land use zoning objective.
- b. The proposed development provides adequate external communal space for the needs of the development, with a purpose-built student bed space being considered equivalent to a mainstream studio for the purposes of this calculation.
- c. The quantum of bed spaces does not undermine the ability of Cork City Council to achieve its HNDA targets.
- d. The quantum of PBSA development does not result in a neighbourhood with a disproportionate proportion of residents being students in order to ensure residential amenity and a balanced community.
- e. The proposed development includes ancillary uses (e.g. health services / café / convenience shop) at ground floor level in locations not served by convenient services.
- f. Accommodation is provided to the quantitative standards set out in National Guidelines for student accommodation.
- g. The proposed development includes internal communal facilities sufficient to meet the needs of the development. Schemes should include communal facilities appropriate to the scale of the development, including communal lounges; games rooms; bookable study rooms; gym; and TV / cinema room.
- h. The proposed development includes ancillary facilities adequate to meet the needs of the development, including refuse facilities, car parking (maximum standard of 1 per 20 Bed Spaces) and cycle parking (0.5 Per Bed Space).

- i. The building / complex is designed to minimise impacts on the surrounding area (e.g. by building noise mitigation strategies and configuration of external amenity spaces).
- j. At least 10% of bed spaces are designed for disabled students
- k. Facility Management Plans will be required to provide a clear framework for the management of the facility to meet the needs of students and the wider neighbourhood
- l. Schemes should provide for potential future adaptability for alternative uses, for example mainstream residential use, should such a scenario ever arise. Planning applications should include a “Building Adaptation to Alternative Use Strategy” to ensure that this has been considered at design stage.

Compliance with the above criteria is outlined in the Statement of Compliance submitted with the SHD application. Section 3 of this report deals with Objective 11.6(d) i.e. that the quantum of PBSA development does not result in a neighbourhood with a disproportionate proportion of residents being students in order to ensure residential amenity and a balanced community.

The 2022 CDP also sets out indicative purpose-built student accommodation targets up until the year 2028 as follows:

Provider	2022	2023	2024	2025	2026	2027	2028	Total
UCC	125	250	250	250	250	250	125	1500
MTU	115	230	230	230	230	230	115	1400
Private	50	100	100	100	100	100	50	600
<b>Total</b>	<b>290</b>	<b>580</b>	<b>580</b>	<b>580</b>	<b>580</b>	<b>580</b>	<b>290</b>	<b>3500</b>

Figure 1: Student accommodation targets and their providers set out in the 2022 CDP

## 1.2 Circular PL 8/2016 APH2/2016 – Student Accommodation

The Department of Housing, Planning, Community, and Local Government introduced the Circular PL 8/2016 that specifically identifies an additional strategy to enhance the supply for student accommodation. This document presents conditions that planning authorities should apply in their approach to student accommodation permissions. They are as follows:

*“Planning authorities should aim to avoid making permissions for student accommodation complexes subject to restrictions on alternative summer or holiday uses, while at the same time ensure that student accommodation is:*

- 1) *Not used for residential accommodation of a permanent nature;*

2) *Safeguarded for use by student and other persons related to the HEI during the academic year; and*

3) *Capable of being used for legitimate occupation by other persons/groups during holiday periods, when not required for student accommodation purposes."*

### **1.3 Summary**

The recent policy/documents that identify development targets for Student Accommodation include The 'Action Plan for Housing and Homelessness – Rebuilding Ireland' 2016, the National Student Accommodation Strategy 2017, The Guidelines on Residential Development for Third Level Students 2005, Circular PL8/2016 APH2/2016, and the recent Cork City Development 2022 – 2028. The policies and targets presented identify a long-term need and forecast for an increase of student accommodation in Cork City. The analysis in Section 2 will compare and contrast the stated targets and what permissions will be implemented in the City.

## 2. Need for Student Accommodation

Ireland is currently in the midst of a housing crisis in which there is a shortage in supply to match the demand for housing across all sectors of the market. In response to this crisis, the Irish Government published “Rebuilding Ireland: Action Plan for Housing and Homelessness” which provides a concerted package of actions across all sectors of housing, including the provision of purpose-built student accommodation to relieve this crisis. The Higher Education Authority estimate that there is an existing demand nationally for c.25,000 bed spaces. This demand is projected to increase in the coming years with the report estimating that Ireland’s third level population will grow by over 20,000 students by 2024.

The ‘Action Plan for Housing and Homelessness – Rebuilding Ireland’ published in July 2016, identifies the importance of providing well designed and located student accommodation in order to avoid additional pressures in the private rental sector. The proposed development satisfies the following three key actions identified in Rebuilding Ireland policy document:

1. It will provide much needed purpose-built student accommodation.
2. It will ensure better utilisation of urban, brownfield land.
3. It will free up conventional housing for non-student residential accommodation.

Cork has one of the highest areas of demand for student housing in the country as it is home to several third level institutions, the two largest being University College Cork (UCC) and Munster Technology University (MTU). The Cork City and County Joint Housing Strategy (as amended) states that there are c. 25,000 full time students attending these two institutions. More recent figures gathered by UCC, confirm that the number of third level students has increased in recent years with over 30,000 now attending third level institutions in the city. This figure includes 1,200 PhD students and 3,000 international students. This represents the highest per capita ratio of any urban area in Ireland. UCC is by far the largest of all of the third level institutions in Cork, accounting for over 20,000 or two thirds of the total student population in the City, with the vast majority of these students being based on or within close proximity to the Main University Campus, which is located 900m east of the proposed site.

The 2015 and 2022 Cork City Development Plans recognise that there is a significant demand for student accommodation in the city and outlines that given the growth in recent years of the numbers of third level students together with the planned expansion of the city’s major educational facilities, there is an identified demand for purpose-built student accommodation to cater for this need. In addition, the expansion of UCC is supported by the 2015 and 2022 City Development Plan which states that the continued growth in student numbers will require the provision of new buildings. It is an objective (14.12) of the plan to: “Support the sustainable development and expansion of University College Cork as an educational facility of regional and



national importance". The provision of purpose-built high-quality student accommodation is a vital component to support the continued expansion of educational facilities and to ensure the continued success of UCC into the future and complies fully with national and local planning policy.

The provision of purpose-built student accommodation is particularly acute in areas close to UCC due to the central location of the University and lack of development sites/opportunities in the area and due to competition with other residential and commercial sectors. The shortage of purpose-built student accommodation has become an increasingly serious issue for the City due to the continuing increase in student numbers and a prolonged under-provision of purpose-built student accommodation across the City. The acute need and shortage of student accommodation in Cork has also been identified by various Authorities for some time and most notably by the Higher Education Authority in their 2015 "Report on Student Accommodation: Demand & Supply". The Higher Education Authority's Report found that Cork has an extremely low provision of purpose-built student accommodation. In 2015, the total Purpose-Built Student Accommodation in the city was approximately 750 units, providing just 3,788 bed spaces. By comparison, Limerick, with its significantly smaller student population had 6,816 bed spaces. The provision of student beds in Cork falls well short of the actual demand which was independently estimated by the Higher Education Authority in 2015 as being in the order of 12,000 beds per annum or threefold of the actual supply of purpose-built student accommodation.

"The National Student Accommodation Strategy" published in 2017 provides further evidential data regarding the supply and demand of purpose-built student accommodation in Ireland. The Strategy builds on "Student Accommodation: Demand and Supply 2015" as well as the National Economic and Social Council Report "Ireland's Rental Sector: pathways to secure occupancy and Affordable Supply" also published in 2015. The report uses evidential data gathered from all the major Higher Education Institutes.

Rebuilding Ireland highlighted that the primary housing-related benefit of providing purpose-built student accommodation is in the freeing up of significant rental accommodation in the vicinity of third-level institutions. This is quantified in "Ireland's Rental Sector: pathways to secure occupancy and Affordable Supply", which states the following:

*"The impact of an additional 21,000 student accommodation bed spaces, in addition to an additional 1,500 Digs spaces, will free up at least an additional 5,000 rental units for the wider residential rental sector".*

"The National Student Accommodation Strategy" further estimates that for every 4 students residing in purpose-built student accommodation or digs, an additional housing unit is freed up in the private rented sector. The strategy also identifies that demand in 2019 will exceed supply by almost 26,000 bed spaces. This is provided that the targets for new purpose-built student accommodation spaces are met. The Strategy acknowledges that:

*“it is not possible to rely solely on the publicly funded HEIs to increase the supply of PSBA given the significant upfront capital investment required and the competing demands for capital investment that prevail in other areas in our HEIs. It is clear therefore, that there is a requirement for investment from both publicly funded HEIs and private developers to seek to comprehensively address the identified shortfall in PSBA”*

The National Student Accommodation Strategy identifies the strong existing and growing demand for purpose-built student accommodation in Cork. Cork accounts for 14% of all full-time enrolments nationally, with Limerick and Galway accounting for around 11% respectively. However, Cork’s existing purpose-built student accommodation bed space numbers in 2017 were estimated at 3,788, only marginally ahead of Galway (3,230) and well behind Limerick (6,816).

The Strategy outlines the supply and demand figures for purpose-built student accommodation in Cork, projecting that the supply of purpose-built student accommodation bed spaces in 2019 would be 4,352 with a projected demand of 6,463, which would equate to a short fall of 2,111 bed spaces and an extra shortfall of 1,901 by end 2024. In light of these findings, the Strategy recognised that meeting this demand in the coming years would be challenging, particularly in Cork where the availability of suitable sites is identified as an issue inhibiting supply.

An update of the figures outlined in “The National Student Accommodation Strategy 2017” was recently published through the “Quarter 3 (Q3) 2019 Progress Report on the National Student Accommodation Strategy” in September 2019. This detailed joint report prepared by the Higher Education Authority and Construction Information Services on student accommodation activity provides the following updates in relation to purpose-built student accommodation supply and demand in Cork:

- “The National Student Accommodation Strategy 2017” projected that there would be an additional 564 purpose-built student accommodation bed spaces completed in Cork by 2019 equating to 4,352, with a short fall of 2,111 bed spaces. According to the Q3 2019 update, 413 bed-spaces were completed in Cork between 2016 and 2019, which resulted in a short fall or excess demand of 2,262 bed spaces by the end of 2019.
- The Q3 2019 update projects that, an additional 1,181 beds will be delivered by the end of 2020. This refers to the Crow’s Nest Site (255 bedspaces), Former O’Mahony Packaging (348 bedspaces), Round Hill Capital’s Development, Gillian House on Farranlea Road (161 bedspaces ) and Bam’s Development in the Brewery Quarter (417 bed spaces ).

- On that basis, taking into account of the amendments to the final bed space numbers on the projects currently under construction, there will be an actual delivery of an additional 1,203 bed spaces by the end of 2020. This results in a total supply of 5,555 purpose-built bed spaces in 2020, with a projected demand of 6,664 bed spaces .
- The Q3 2019 update therefore confirms that there will be an excess demand of at least 1,109 purpose-built bed spaces by the end of 2020.

As outlined in Table 1 below, there are a number of extant permissions that have yet to commence/complete construction. For the purpose of this study, we have updated the figures to take account of recent planning decisions including where modification applications have increased the bed space numbers and also included developments that the “The National Student Accommodation Strategy 2017” and the “Quarter (Q3) 2019 Progress Report on the National Student Accommodation Strategy” omitted.

Applicant Name	Site Name	Location	No. Beds	2021 Planning Status
<b>Variety Holdings Ltd</b>	Brookfield Student Accommodation & Leisure Centre Complex	College Road	118* (*Only 34 referenced in strategy i.e. +84)	Completed
<b>Hatch Copley Ltd.</b>	Copley Court	Copley Street	155* (*Only 151 referenced in strategy i.e. +4)	Completed
<b>Mideam Ltd.</b>	Dorgan's Road	Magazine Road, Glasheen	77* (*Only 42 referenced in strategy i.e. +35)	Completed
<b>Ziggurat Ltd.</b>	Former Muskerry Service Station site	Western Road	190* (*202 referenced in strategy i.e. -12)	Completed
<b>Bam Property Ltd.</b>	Beamish and Crawford	South Main Street	455* (*Only 417 referenced in strategy i.e. +38)	Completed
<b>Mideam Ltd.</b>	Fort Marian	Mardyke Walk	41* (*Not referenced in Strategy i.e +41)	Completed
<b>Summix FRC Developments Ltd.</b>	Gillan House	27 Farranlea Rd.	145* (*161 referenced in strategy i.e. -16)	Completed
<b>Montesa</b>	Former O'Mahony Packaging	Melbourne Road	348	Completed
<b>University College Cork</b>	Crow's Nest Site	Victoria Cross	255	Under Construction
<b>Summix FRC Developments Ltd.</b>	Square Deal Site	Washington Street	209* (*242 referenced in strategy i.e. -33)	Under Construction
<b>Lyonshall Ltd.</b>	Former Joinery Site	Former O'Riordan's Joinery, Bandon Road	350* (*Only 324 referenced in strategy i.e. +26)	Under Construction

Applicant Name	Site Name	Location	No. Beds	2021 Planning Status
<b>Future Generation</b>	Former Coca-Cola site	Carrigrohane Road	623* (*Only 484 referenced in strategy i.e. +139)	Under Construction
<b>Kevin Lynch</b>	Former Kelleher Tyres Premises	Victoria Cross	136* (*Not referenced in strategy i.e. +136)	Planning Granted  (18 beds omitted by City Council/ABP)
<b>Bellmount Developments</b>	Kellehers Auto Centre, Wilton Road	Wilton Road	243* (*Not referenced in strategy i.e. +243)	Planning Granted
<b>Bmor Developments Ltd.</b>	North Main Street	92-96 North Main Street	279* (*Not referenced in strategy i.e. +279)	Under Construction
<b>Mideam Ltd.</b>	Hawthorn House	Western Road and Mardyke Walk	79 (*Not referenced in strategy +79)	Planning Granted
		<b>Total Planning Granted</b>	<b>3,703</b>	Planning Granted
<b>Additional Bed Spaces Not Previously Accounted For</b>			<b>1,043</b>	

Table 1 Extant PBSA permissions that have yet to commence/complete construction

\*It is important to note that a previous application under Denis O'Brien Development Ltd. for Orchard Road that proposed the construction of 216 bed spaces under student accommodation is now being developed as a housing scheme and not for student accommodation.

Based on the “The National Student Accommodation Strategy 2017”, the projected demand for purpose-built student accommodation in 2024 equates to 7,391 bed spaces. According to the Strategy, the projected supply by 2024 equates to 5,490. If we include the additional bed spaces outlined in Table 1 above, the projected supply is increased to 6,533. Therefore, even if all extant permissions were to be constructed by 2024 there would still be an estimated shortfall of 858 of purpose-built student bed spaces in 2024. Furthermore, the 2017 projections were based on 4,000 students per year living in student accommodation by 2019. However, the “Quarter 2 (Q2) 2018 Progress Report on the National Student Accommodation Strategy” estimated that only 2,000 students availed of rooms in 2017 nationally further increasing the demand of purpose-built student accommodation schemes.

In conclusion, while these extant permissions, if constructed, will increase the number of student beds by approximately 3,703, there is still a need to reduce the significant gap between demand and supply in Cork City and the dependency on the existing housing stock in the city. The projected demand for purpose-built student accommodation in 2024 equates to 7,391 bed spaces (almost double the supply in existing permissions/construction).

The proposed development of an additional 206 no. bed spaces will make a positive contribution to the shortage of student accommodation in the city and will also ‘free up’ a significant proportion of the private rental stock, which is critical to reducing the overall pressure on the housing sector in the city.

Furthermore and as can be seen in Table 1 above, a number of planning applications that have been granted for a significant number of years have yet to commence development and are not guaranteed to commence or be completed by 2024.

### 3. Student Accommodation Concentration Assessment

This report also addresses the concentration of student accommodation in the area in accordance with Objective 11.6(d) of the 2022 CDP i.e. that the quantum of PBSA development does not result in a neighbourhood with a disproportionate proportion of residents being students in order to ensure residential amenity and a balanced community.

Cork accounts for 14% of all full-time enrolments nationally. The Higher Education Authority estimates that c.24,750 third level students are living in Cork. Approximately 40% of the student population require accommodation i.e. just under 10,000 students require accommodation. Table 2 below provides a broad breakdown of the nature of the tenure of this student accommodation in Cork City. Table 3 provides a breakdown of the general locations of each of the three student accommodation types.

Type of Accommodation	No. Bed Spaces	Percentage
UCC Campus Accommodation	1,230	(12.5%)
Private/Purpose Built Accommodation	2,502-2,592	(26%)
Private Rental Accommodation	6,078	(61.5%)

Table 2 Tenure of Student Accommodation

UCC currently owns and manages 1,230 beds between 4 different complexes as listed in Table 3 below. There are various privately owned and managed purpose-built complexes throughout the city, which are not exclusive to UCC students. The most common form of student accommodation on the market that the student population in Cork currently avails of, is private rental houses/apartments. It should be noted that the figures listed in Table 2 are representative of the wider Cork City area and not exclusive to the catchment of UCC.

With regard to UCC, the area of highest demand for private rental accommodation is generally located within 1.5km from the centre of the campus.<sup>1</sup> There are approximately 8,900 housing units located within this area, with 37% of this stock (i.e. 3,300 units) leased for private, social and student accommodation from private landlords<sup>2</sup>. The areas of highest concentration for these types of leased accommodation are listed below in

<sup>1</sup> For those unable to travel by car, proximity to the university campus by walking, cycling or public transport are identified as key factors on the Census 2011

<sup>2</sup> Small Area Settlements, Census 2011

Table 3. In some of these areas between 40-90% of the housing is privately leased.

UCC Campus Accommodation	Private PBSA	Private Rental Accommodation Areas Including
Victoria Mills	Eden Hall	College Road
Victoria Lodge	Arcadia Hall (Railway Station)	Connaught Avenue
Castlewhite Apartments	Copley Street	Donovan Road
University Hall	Leeside	Magazine Road
	The Spires	Bandon Road
	Arcadia Hall	Glasheen Road
	Brookfield	Gillabbey Street
	Abbey Wharf North Mall	Barrack Street
	Abbey Wharf North Abbey St	Deerpark
	Carraigrua	Pouladuff Road
	Carraigbarre	Highfield Avenue
	Cork Student Village	Orchard Road
	Davcon Court	St Clare's Avenue
	Deanshall	St Francis Avenue
	Farranlea	Wellington Avenue
	Fuller Lodge	College View
	Lancaster Hall	Wycherley Terrace
	Mardyke Hall	Lough Road
	North Quay Place	St Finbarr's Road
	Seven North Mall	McCurtains Villas
	Sheares Gate	Dean Street
	Sheraton Lodge	Bendemerr Park
	South Mall Court	Victoria Cross

Table 3 Locations of student accommodation.



